



General Assembly

February Session, 2004

***Raised Bill No. 399***

LCO No. 1298

\*01298\_\_\_\_\_GL\_\*

Referred to Committee on General Law

Introduced by:  
(GL)

***AN ACT CONCERNING INTRODUCTORY RATE OFFERS AND  
AUTOMATIC RENEWAL OF CONSUMER CONTRACTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-126b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2004*):

3 (a) No person, firm, partnership, association or corporation, or agent  
4 or employee thereof, shall, in any manner, or by any means, offer for  
5 sale goods, wares or merchandise, where the offer includes the  
6 voluntary and unsolicited sending of goods, wares or merchandise not  
7 actually ordered or requested by the recipient, either orally or in  
8 writing. The receipt of any such unsolicited goods, wares or  
9 merchandise shall for all purposes be deemed an unconditional gift to  
10 the recipient who may use or dispose of the same in any manner [he]  
11 such recipient sees fit without any obligation on [his] such recipient's  
12 part to the sender.

13 (b) Any person, firm, partnership, association or corporation that  
14 sells or offers to sell any products or services used primarily for  
15 personal, family or household purposes pursuant to a trial offer or at

16 an introductory rate that will change at the end of the introductory rate  
 17 period, shall provide the recipient of such products or services with  
 18 clear and conspicuous written notice that the recipient may cancel such  
 19 products or services upon the expiration of such trial offer or  
 20 introductory rate period. Such notice shall include the procedure for  
 21 such cancellation and shall be provided with any written promotional  
 22 material for such products or services furnished to the recipient before  
 23 the start of the trial offer or the introductory rate period or with the  
 24 initial delivery of such products or services to the recipient. Any such  
 25 products or services furnished to the recipient after the expiration of  
 26 such trial offer or introductory rate period, where such trial offer or  
 27 introductory rate period is cancelled or not otherwise renewed or  
 28 continued by the recipient, shall be deemed an unconditional gift  
 29 under subsection (a) of this section. The provisions of this subsection  
 30 shall not apply to (1) any trial offer or introductory rate period  
 31 provided by a public service company, as defined in section 16-1, as  
 32 amended, an affiliate or subsidiary of such public service company, or  
 33 any certified telecommunications provider, as defined in section 16-1,  
 34 as amended, to any consumer with whom such public service  
 35 company, affiliate or subsidiary, or certified telecommunications  
 36 provider has an established and ongoing business relationship,  
 37 provided such public service company, affiliate or subsidiary, or  
 38 certified telecommunications provider shall inform such consumer of  
 39 the procedure to cancel such trial offer [, and] or to cancel after the  
 40 expiration of the introductory rate period, (2) any transaction  
 41 involving the use of a negative option plan that is governed by 16 CFR  
 42 Part 425, and (3) a contract subject to the provisions of sections 36a-675  
 43 to 36a-685, inclusive.

44 (c) Any person, firm, partnership, association or corporation that  
 45 sells or offers to sell any products or services used primarily for  
 46 personal, family or household purposes for a specified period of time  
 47 of not less than sixty days pursuant to a written contract that contains  
 48 a provision for automatic renewal of the contract for a period of time  
 49 not less than thirty-two days, at the end of the period of time specified

50 in the contract, shall provide the recipient of such products or services  
 51 with clear and conspicuous written notice that the recipient may cancel  
 52 such contract. Such notice shall be given at least fifteen days but no  
 53 later than forty-five days prior to the end of such specified period of  
 54 time. Such notice shall include the procedure for such cancellation. If  
 55 such contract is less than sixty days in duration, such contract shall  
 56 contain a clear and conspicuous written notice of the recipient's right  
 57 to cancel such contract and the procedure for cancellation. If such  
 58 notice is not provided to the recipient in accordance with the  
 59 provisions of this subsection, any such products or services furnished  
 60 to the recipient after the end of the period of time specified in the  
 61 contract shall be deemed an unconditional gift under subsection (a) of  
 62 this section. Nothing in this subsection shall be construed to apply to a  
 63 health club contract subject to the provisions of section 21a-219 or a  
 64 contract subject to the provisions of sections 36a-675 to 36a-685,  
 65 inclusive.

66 (d) The provisions of this section shall not apply to any banking,  
 67 insurance or securities product or service, the provision of which is  
 68 subject to regulation or licensing by the state or a federal agency.

69 ~~[(c)]~~ (e) A violation of any provision of this section shall be deemed  
 70 an unfair or deceptive trade practice under subsection (a) of section 42-  
 71 110b.

This act shall take effect as follows:	
Section 1	October 1, 2004

***Statement of Purpose:***

To require notice to consumers for sales made (1) at an introductory rate, and (2) under a contract that has an automatic renewal clause.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*